

1
2
3
4
5
6
7
8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10

11 SEAN STEPHENS,

12 Plaintiff,

13 v.

14 FCA US, LLC, et al.,

15 Defendants.
16
17
18
19
20
21
22
23
24
25
26
27
28

Case No. 2:22-cv-09039-FLA (RAOx)

**ORDER TO SHOW CAUSE WHY
ACTION SHOULD NOT BE
REMANDED FOR LACK OF
SUBJECT MATTER JURISDICTION**

1 Federal courts are courts of “limited jurisdiction,” possessing only “power
2 authorized by the Constitution and statute[.]” *Kokkonen v. Guardian Life Ins. Co. of*
3 *Am.*, 511 U.S. 375, 377 (1994); U.S. Const. art. III, § 2, cl. 1. Courts are presumed to
4 lack jurisdiction unless the contrary appears affirmatively from the record. *See*
5 *DaimlerChrysler Corp. v. Cuno*, 547 U.S. 332, 342 n. 3 (2006). Additionally, federal
6 courts have an obligation to examine jurisdiction *sua sponte* before proceeding to the
7 merits of a case. *See Ruhrgas AG v. Marathon Oil Co.*, 526 U.S. 574, 583 (1999).

8 A suit filed in a state court may be removed to federal court if the federal court
9 would have had original jurisdiction over the suit. 28 U.S.C. § 1441(a). Federal
10 courts have original jurisdiction where an action presents a federal question under 28
11 U.S.C. § 1331, or where diversity of citizenship exists under 28 U.S.C. § 1332.
12 Accordingly, a defendant may remove an action from state court to federal court
13 pursuant to the federal removal statute, 28 U.S.C. § 1441, on the basis of a federal
14 question or diversity jurisdiction. Of relevance here, claims filed under the
15 Magnuson-Moss Warranty Act do not trigger federal question jurisdiction unless the
16 amount in controversy is equal to or greater than “the sum or value of \$50,000
17 (exclusive of interests and costs) computed on the basis of all claims to be determined
18 in this suit.” 28 U.S.C. § 2310(d)(3)(B); *Khachatryan v. BMW of N. Am., LLC*, Case
19 No. 2:21-cv-01290-PA (PDx), 2021 WL 927266, at *2 (C.D. Cal. Mar. 10, 2021).

20 Courts strictly construe the removal statute against removal jurisdiction, and
21 “[f]ederal jurisdiction must be rejected if there is any doubt as to the right of removal
22 in the first instance.” *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992). The
23 party seeking removal bears the burden of establishing federal jurisdiction. *Id.* Thus,
24 a notice removing an action from state court to federal court must include “a plausible
25 allegation that the amount in controversy exceeds the jurisdictional threshold.” *Dart*
26 *Cherokee Basin Operating Co., LLC v. Owens*, 574 U.S. 81, 89 (2014). Where “the
27 plaintiff contests, or the court questions, the defendant’s allegation” concerning the
28 amount in controversy, “both sides [shall] submit proof,” and the court may then

1 decide whether the defendant has proven the amount in controversy “by a
2 preponderance of the evidence.” *Id.* at 88–89.


3 The court has reviewed the Notice of Removal and is presently unable to
4 conclude it has subject matter jurisdiction. In particular, and without limitation, the
5 court finds that the allegations in Defendant’s Notice of Removal do not demonstrate
6 by a preponderance of the evidence that the amount in controversy exceeds \$50,000.

7 The parties are ORDERED TO SHOW CAUSE, in writing only, within
8 fourteen (14) days from the date of this Order, why this action should not be remanded
9 for lack of subject matter jurisdiction because the amount in controversy does not
10 exceed the jurisdictional threshold. The parties are encouraged to submit evidence
11 and/or judicially noticeable facts in response to the court’s Order. Responses shall be
12 limited to ten (10) pages in length. The parties should consider this Order to be a two-
13 pronged inquiry into the facial and factual sufficiency of Defendant’s demonstration
14 of jurisdiction. *See Leite v. Crane Co.*, 749 F.3d 1117, 1122 (9th Cir. 2014).

15 As Defendant is the party asserting federal jurisdiction, Defendant’s failure to
16 respond timely and adequately to this Order shall result in remand of the action
17 without further notice.

18
19 IT IS SO ORDERED.

20
21 Dated: July 24, 2023

22
23 
24 FERNANDO L. AENLLE-ROCHA
25 United States District Judge
26
27
28